

Santos Caceres

Pro Se Creditor

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:) Chapter 11
)
CELSIUS NETWORK LLC, *et al.*,¹) Case No. 22-10964 (MG)
)
Debtors.) (Jointly Administered)
)
)

**SANTOS CACERES' REPLY TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS' OMNIBUS OBJECTION TO MOTION FOR ENTRY OF AN ORDER TO
DOLLARIZE NON-INSIDER CEL TOKEN CLAIMS AT THE PETITION DATE PRICE
OF \$0.81565**

Santos Caceres (Pro Se Creditor) submits this reply (the "Reply") to the omnibus objection of the Unsecured Creditors Committee (UCC) to dollarize non-insider CEL token claims at the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

petition date price of \$0.81, and in further support of my *Motion Seeking Entry of an Order to (I) To Dollarize Non-Insider CEL token Claims at Petition Date Price of \$0.81565, if otherwise (II) I Request the Debtors to Submit Evidence Supporting Inequitable Treatment of Unsecured Creditors in the Earn Group (III) Granting Related Relief.*

The Omnibus Objection to my Motion to Dollarize Non-Insider CEL Token Claims at Petition Date Prices should be overruled, and the relief requested in my motion should be granted. Contemporaneously herewith, I am submitting evidence that continues to add merit to my request as follows:

Preliminary Statement

1. I am disappointed that the UCC continues to object to fair treatment of CEL Token and continues to make statements without putting forward any valid reasons, evidence or exhibits to justify its proposed subordination of CEL Token holders.
2. In response to the UCC's preliminary statement, it is my testimony that I became a customer of Celsius in 2019 and did KYC to open my account as required by law. Each week I received CEL Token into my Celsius account (because I chose to earn in CEL vs in-kind), Celsius locked up those rewards for 1 year as required by law. They explained that this action was taken in case CEL Token was deemed a security in the future. Celsius filed a reg "D" exemption with the SEC as it was not sure if CEL Token was a security, so it followed all best practices to be compliant; it was one of the very few crypto companies to do so.
3. The UCC argument for CEL Token being a security should not change my claim, or my status as an unsecured creditor of Celsius. My claims remain in the Earn class and should not be treated as equity just because CEL may be a security.

4. In the absence of strong and valid reason, there should not be subordination of only 1 over 50 crypto assets supported by Celsius.
5. If the UCC insists that the status of CEL Token is a security and that it was issued by Celsius as the main justification for subordination, then all assets on Celsius should be subordinated since they are all part of the Celsius Earn account. If all Earn accounts were created by Celsius for all users and are all a security, then all assets should be subject to subordination by the UCC based on the same logic.
6. In response to UCC item 52, fair pricing is usually represented by open and fair markets. During the period of June 12th - July 12th, Celsius did not participate as a buyer or a seller in the public CEL Token markets or via OTC. On May 3rd, 2022, the price of CEL Token was \$2.09 as shown in Exhibit 1 below.



Exhibit 1

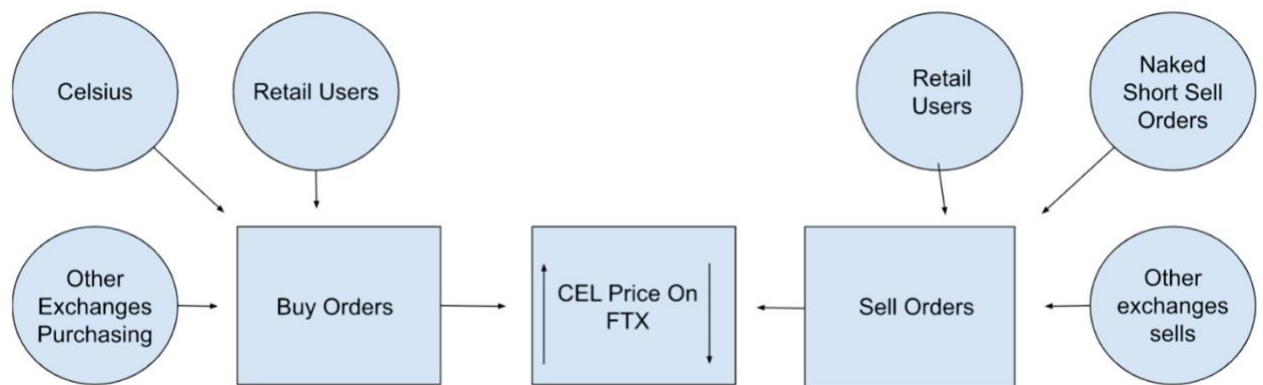
7. I obtained a download of all the CEL short positions on the FTX Exchange which represented at least 80% of the daily volume for CEL Token during this period. The exhibit shows the date, time, token, short size, funding rate, cost to borrow CEL, available Tokens with -142,020 CEL Tokens sold short on May 3rd of 2022 and over 10m CEL Tokens available for borrow on the exchange (Exhibit 2).

Time	Coin	Short Size	FundingRate	F.R. Yearly	FTX Wallet Balance
2022-05-03T00:00:00+00:00	CEL	142,020.50	0.000001	0.88%	10,874,481.00
2022-05-03T01:00:00+00:00	CEL	141,281.67	0.000001	0.88%	
2022-05-03T02:00:00+00:00	CEL	141,295.46	0.000001	0.88%	
2022-05-03T03:00:00+00:00	CEL	141,295.63	0.000001	0.88%	
2022-05-03T04:00:00+00:00	CEL	140,878.80	0.000001	0.88%	
2022-05-03T05:00:00+00:00	CEL	140,714.98	0.000001	0.88%	
2022-05-03T06:00:00+00:00	CEL	140,524.15	0.000001	0.88%	
2022-05-03T07:00:00+00:00	CEL	139,904.32	0.000001	0.88%	
2022-05-03T08:00:00+00:00	CEL	139,904.52	0.000001	0.88%	
2022-05-03T09:00:00+00:00	CEL	139,904.69	0.000001	0.88%	
2022-05-03T10:00:00+00:00	CEL	139,904.86	0.000001	0.88%	
2022-05-03T11:00:00+00:00	CEL	141,027.03	0.000001	0.88%	
2022-05-03T12:00:00+00:00	CEL	141,127.05	0.000001	0.88%	
2022-05-03T13:00:00+00:00	CEL	107,569.38	0.000001	0.88%	
2022-05-03T14:00:00+00:00	CEL	109,245.50	0.000001	0.88%	
2022-05-03T15:00:00+00:00	CEL	128,627.95	0.000001	0.88%	
2022-05-03T16:00:00+00:00	CEL	161,721.90	0.00000342	3.00%	
2022-05-03T17:00:00+00:00	CEL	228,823.46	0.00000628	5.50%	
2022-05-03T18:00:00+00:00	CEL	190,156.12	0.00000628	5.50%	
2022-05-03T19:00:00+00:00	CEL	183,319.33	0.00000628	5.50%	
2022-05-03T20:00:00+00:00	CEL	177,993.30	0.00000594	5.20%	
2022-05-03T21:00:00+00:00	CEL	177,994.30	0.00000594	5.20%	
2022-05-03T22:00:00+00:00	CEL	175,303.92	0.00000594	5.20%	
2022-05-03T23:00:00+00:00	CEL	173,251.10	0.00000594	5.20%	
2022-05-04T00:00:00+00:00	CEL	148,602.94	0.000001	0.88%	11,036,624.00
2022-05-04T01:00:00+00:00	CEL	147,889.62	0.000001	0.88%	
2022-05-04T02:00:00+00:00	CEL	147,889.80	0.000001	0.88%	
2022-05-04T03:00:00+00:00	CEL	146,855.68	0.000001	0.88%	
2022-05-04T04:00:00+00:00	CEL	146,858.64	0.000001	0.88%	
2022-05-04T05:00:00+00:00	CEL	163,498.95	0.00000342	3.00%	
2022-05-04T06:00:00+00:00	CEL	146,839.29	0.000001	0.88%	
2022-05-04T07:00:00+00:00	CEL	146,581.25	0.000001	0.88%	
2022-05-04T08:00:00+00:00	CEL	145,823.89	0.000001	0.88%	
2022-05-04T09:00:00+00:00	CEL	145,116.07	0.000001	0.88%	
2022-05-04T10:00:00+00:00	CEL	145,116.15	0.000001	0.88%	
2022-05-04T11:00:00+00:00	CEL	143,960.32	0.000001	0.88%	
2022-05-04T12:00:00+00:00	CEL	282,786.56	0.00000628	5.50%	
2022-05-04T13:00:00+00:00	CEL	251,217.06	0.00000628	5.50%	
2022-05-04T14:00:00+00:00	CEL	237,677.82	0.00000628	5.50%	
2022-05-04T15:00:00+00:00	CEL	230,806.26	0.00000628	5.50%	
2022-05-04T16:00:00+00:00	CEL	228,850.93	0.00000628	5.50%	
2022-05-04T17:00:00+00:00	CEL	216,331.82	0.00000628	5.50%	
2022-05-04T18:00:00+00:00	CEL	211,009.77	0.00000628	5.50%	
2022-05-04T19:00:00+00:00	CEL	175,471.12	0.00000628	5.50%	
2022-05-04T20:00:00+00:00	CEL	187,934.05	0.00000628	5.50%	
2022-05-04T21:00:00+00:00	CEL	185,716.81	0.00000628	5.50%	
2022-05-04T22:00:00+00:00	CEL	185,525.15	0.00000628	5.50%	
2022-05-04T23:00:00+00:00	CEL	185,526.46	0.00000628	5.50%	

Exhibit 2

On June 3rd 2022, the price of CEL Token was \$0.81 and the open short position increased to -842,006 CEL. On June 13th, 2022 the price of CEL Token was \$0.36 and the outstanding short positions on CEL increased to an enormous -20,000,000 CEL, a significant majority of which were naked shorts, as FTX did not have more than 5 million CEL tokens to lend out. The only entity that was allowed to be naked short on FTX was Alameda Research because only they had “God Mode” capabilities on the FTX platform.

8. The activity in the CEL marketplace represented the pure balance of supply and demand in the market. The addition of over 15,000,000 **artificial** CEL Tokens to the FTX Exchange on June 13th 2022, and the instant increase in supply being dumped on the market is the real and main reason for the sharp drop in the price of CEL.



9. As clearly demonstrated in Exhibit 3, the \$0.70 price for CEL was forced down by over 100x increase in the short positions on CEL Token driven by the negative media and short-sellers' greed and supported by FTX opening the spigot to allow unlimited shorting of CEL token by its sister company Alameda Research. According to my research, there was no more buying or selling of CEL Token from Celsius and/or the

OTC desk after the pause date. The price increase was a direct reflection of the market forces following the naked short and the Pause.

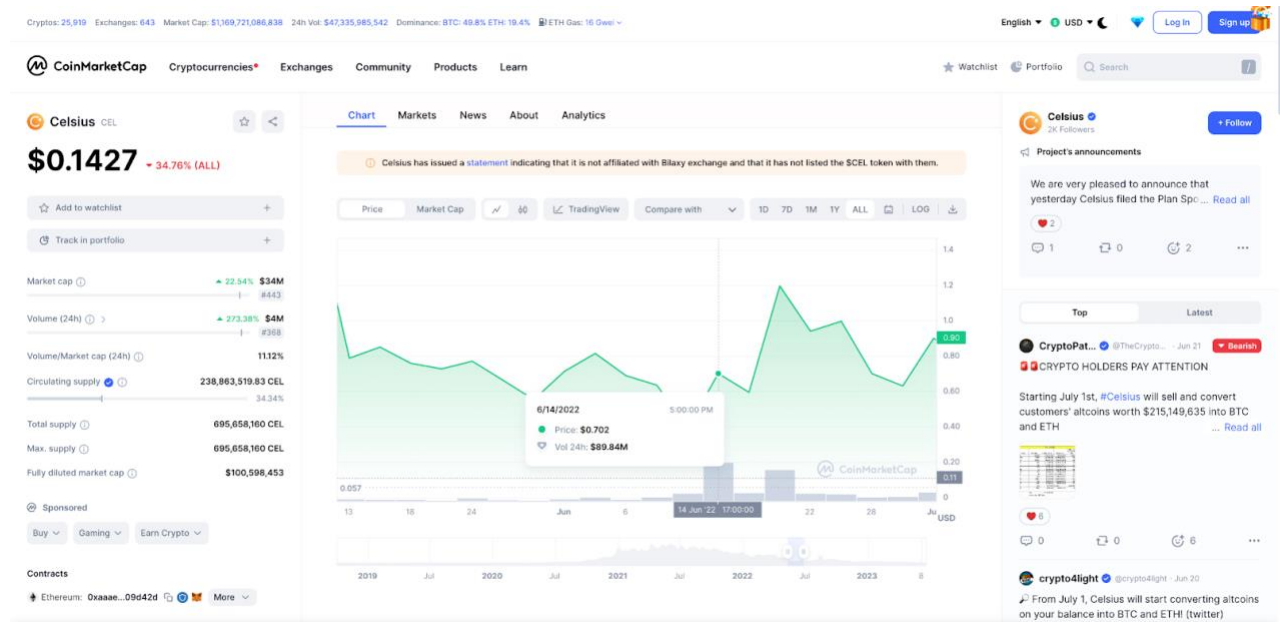


Exhibit 3

10. Exhibit 4 shows the short position on June 13, 2022 of over -20 Million CEL Token short while FTX exchange only had 5m CEL Tokens in total to lend out. This represents an illegal and undisclosed 15,000,000 naked short position on CEL token during the pause (while Celsius, OTC and large users could not buy or sell CEL) and the filing date which was the main contributor to the sharp drop in price.

2022-06-11T13:00:00+00:00	CEL	5,932,179.23	0.00074201	650.00%	
2022-06-11T14:00:00+00:00	CEL	6,054,104.68	0.00074201	650.00%	
2022-06-11T15:00:00+00:00	CEL	6,198,598.63	0.00074201	650.00%	
2022-06-11T16:00:00+00:00	CEL	7,438,616.02	0.00415922	3643.48%	
2022-06-11T17:00:00+00:00	CEL	7,611,433.18	0.00410959	3600.00%	
2022-06-11T18:00:00+00:00	CEL	8,005,414.65	0.00410959	3600.00%	
2022-06-11T19:00:00+00:00	CEL	8,094,806.75	0.00410959	3600.00%	
2022-06-11T20:00:00+00:00	CEL	8,073,138.91	0.00410959	3600.00%	
2022-06-11T21:00:00+00:00	CEL	8,207,359.44	0.00296804	2600.00%	
2022-06-11T22:00:00+00:00	CEL	8,337,831.05	0.00296804	2600.00%	
2022-06-11T23:00:00+00:00	CEL	8,510,734.24	0.00296804	2600.00%	
2022-06-12T00:00:00+00:00	CEL	8,478,516.99	0.00296804	2600.00%	9,837,994.00
2022-06-12T01:00:00+00:00	CEL	8,410,160.67	0.00074201	650.00%	
2022-06-12T02:00:00+00:00	CEL	8,519,310.96	0.00114155	1000.00%	
2022-06-12T03:00:00+00:00	CEL	8,665,314.17	0.00228311	2000.00%	
2022-06-12T04:00:00+00:00	CEL	8,635,402.00	0.00011416	100.00%	
2022-06-12T05:00:00+00:00	CEL	8,644,393.84	0.00011416	100.00%	
2022-06-12T06:00:00+00:00	CEL	8,493,814.96	0.00011416	100.00%	
2022-06-12T07:00:00+00:00	CEL	8,444,263.79	0.00011416	100.00%	
2022-06-12T08:00:00+00:00	CEL	8,237,401.97	0.00011416	100.00%	
2022-06-12T09:00:00+00:00	CEL	8,212,079.17	0.00011416	100.00%	
2022-06-12T10:00:00+00:00	CEL	8,202,858.84	0.00011416	100.00%	
2022-06-12T11:00:00+00:00	CEL	8,288,162.12	0.00011416	100.00%	
2022-06-12T12:00:00+00:00	CEL	8,306,535.64	0.00011416	100.00%	
2022-06-12T13:00:00+00:00	CEL	8,304,653.65	0.00011416	100.00%	
2022-06-12T14:00:00+00:00	CEL	8,606,192.23	0.00011416	100.00%	
2022-06-12T15:00:00+00:00	CEL	8,572,649.90	0.00011416	100.00%	
2022-06-12T16:00:00+00:00	CEL	8,049,979.65	0.00011416	100.00%	
2022-06-12T17:00:00+00:00	CEL	8,042,040.95	0.00011416	100.00%	
2022-06-12T18:00:00+00:00	CEL	8,116,988.02	0.00011416	100.00%	
2022-06-12T19:00:00+00:00	CEL	8,135,326.16	0.00011416	100.00%	
2022-06-12T20:00:00+00:00	CEL	8,187,765.38	0.00011416	100.00%	
2022-06-12T21:00:00+00:00	CEL	8,335,227.93	0.00011416	100.00%	
2022-06-12T22:00:00+00:00	CEL	8,368,590.46	0.00011416	100.00%	
2022-06-12T23:00:00+00:00	CEL	8,404,810.90	0.00296804	2600.00%	5,066,329.00
2022-06-13T00:00:00+00:00	CEL	8,544,877.52	0.00011416	100.00%	
2022-06-13T01:00:00+00:00	CEL	8,640,175.62	0.00011416	100.00%	
2022-06-13T02:00:00+00:00	CEL	8,805,853.15	0.00011416	100.00%	
2022-06-13T03:00:00+00:00	CEL	20,489,514.05	0.00415922	3643.48%	
2022-06-13T04:00:00+00:00	CEL	16,698,619.58	0.00415922	3643.48%	
2022-06-13T05:00:00+00:00	CEL	16,508,735.83	0.00415922	3643.48%	
2022-06-13T06:00:00+00:00	CEL	17,100,173.18	0.00296804	2600.00%	
2022-06-13T07:00:00+00:00	CEL	19,419,847.07	0.00296804	2600.00%	
2022-06-13T08:00:00+00:00	CEL	18,736,511.94	0.00296804	2600.00%	
2022-06-13T09:00:00+00:00	CEL	18,850,853.44	0.00296804	2600.00%	
2022-06-13T10:00:00+00:00	CEL	19,048,562.53	0.00296804	2600.00%	
2022-06-13T11:00:00+00:00	CEL	18,968,711.36	0.00296804	2600.00%	
2022-06-13T12:00:00+00:00	CEL	18,996,850.06	0.00296804	2600.00%	
2022-06-13T13:00:00+00:00	CEL	18,939,159.41	0.00296804	2600.00%	

Exhibit 4

The CEL Token price on the day of the Pause, June 13th, was drastically suppressed by tens of millions of CEL sold short, thus June 13th does not represent fair market value, as most of those positions were created using naked shorting sell orders on FTX and were covered in the following 30 days. I know and have evidence that FTX had about 5 Million

CEL tokens on deposit in their platform on June 13th 2022, and therefore, could not legally support short positions for over -20,000,000 CEL. I am disappointed that despite sharing this information with the UCC and their lawyers several times, the committee chose to propose subordinating CEL Token holders instead of pursuing claims of damages against FTX and Alameda Research as well as other short sellers.

11. The sharp reduction in the CEL Token price preceding the pause was a primary factor leading to the unprecedented increase in withdrawal post the Terra Luna collapse and was not a part of normal market activity for Celsius or CEL Token as illustrated in Exhibit 5 below.

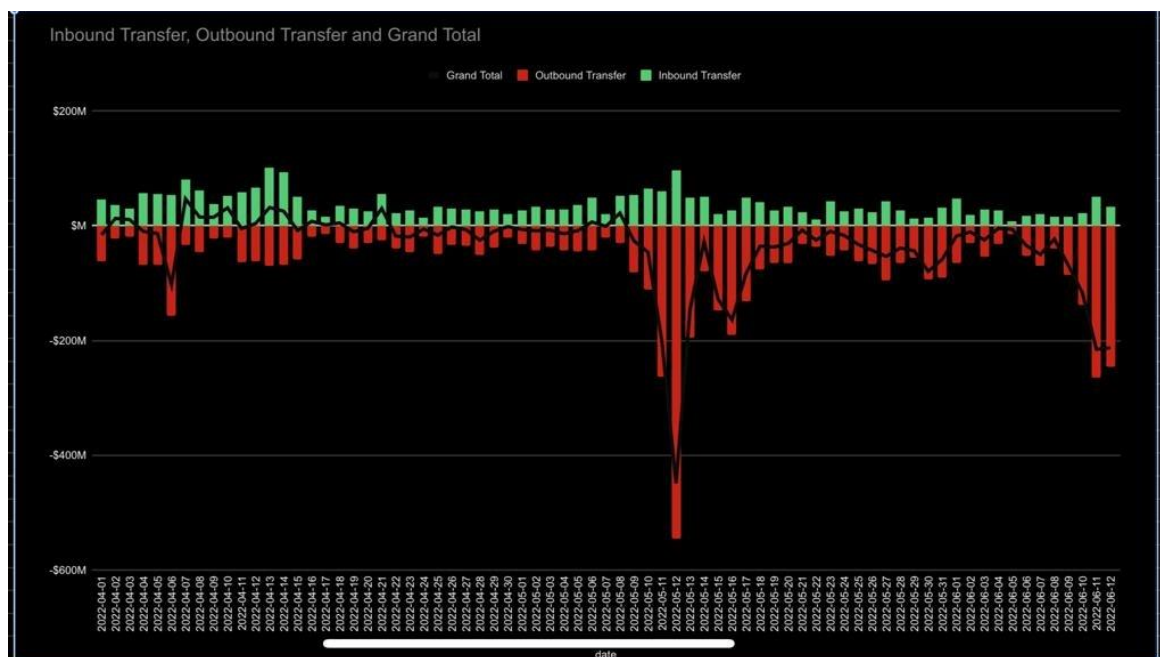


Exhibit 5

Almost all assets that were held on Celsius have been categorized as securities by the SEC and other governmental agencies, and the UCC categorization of CEL as a security should not be used by the UCC to single out and punish unsecured creditors who are not insiders holding CEL Token. If Celsius intended to manipulate the price of CEL it would not have allowed over

\$500 million in OTC buy orders, as selling CEL via OTC depresses the price compared to the same buyer placing buy orders on crypto exchanges. In one such example, Liquid, an Exchange in Singapore, had to buy 658,000 CEL at market price to replenish CEL Tokens stolen from the exchange following the Aug 19, 2021 hack. CEL balance on Liquid exchange on the day of the hack was 658,000 tokens. Therefore, the following blockchain recorded transaction took place:

- ❖ OTC Buy order on Aug 26, 2021 for 658k CEL tokens @ \$5.48. [paying with \\$3,605,830 USDC](#) to OTC wallet 18A7
- ❖ 658,000 [CEL Tokens were sent the same day to the Liquid](#) wallet from Celsius OTC wallet 0x161760044534f2828928c5d0d925fcb75e2270d8c43f9187ef9e649f98855587

This is just one example of a market transaction between two market participants done at market prices. If Liquid had to buy 658,000 CEL on the open market, it would have pushed the price of CEL above \$6.00. If Celsius' whole business, as suggested by UCC and the Examiner, was to pump the price of CEL Token, it would have refused to sell Liquid the CEL tokens via the OTC desk. Exhibit 6 below serves as evidence of this transaction.

Transaction Hash:

0xb00457625f6ed486e6b495e3910e0f64b5777d96c7f01526766c9dfadfe0ab04

Status:

Success


Block:

13100102 4309593 Block Confirmations

Timestamp:

647 days 11 hrs ago (Aug-26-2021 09:17:26 AM +UTC)

Sponsored:



From:

0x55FE002aefF02F77364de339a1292923A15844B8 (Circle)

Interacted With (To):

0xA0b86991c6218b36c1d19D4a2e9Eb0cE3606eB48 (Centre: USD Coin)

ERC-20 Tokens Transferred:

From Circle To 0x0E5Fd3...87c518a7 For 3,605,830 \$3,604,488.63 USD Coin... (USDC...)

Value:

0 ETH (\$0.00)

12. In response to point 2 of the UCC's objection, according to the Debtor's website, 56% of all account holders have some amount of CEL Token, as presented in Exhibit 7 below:

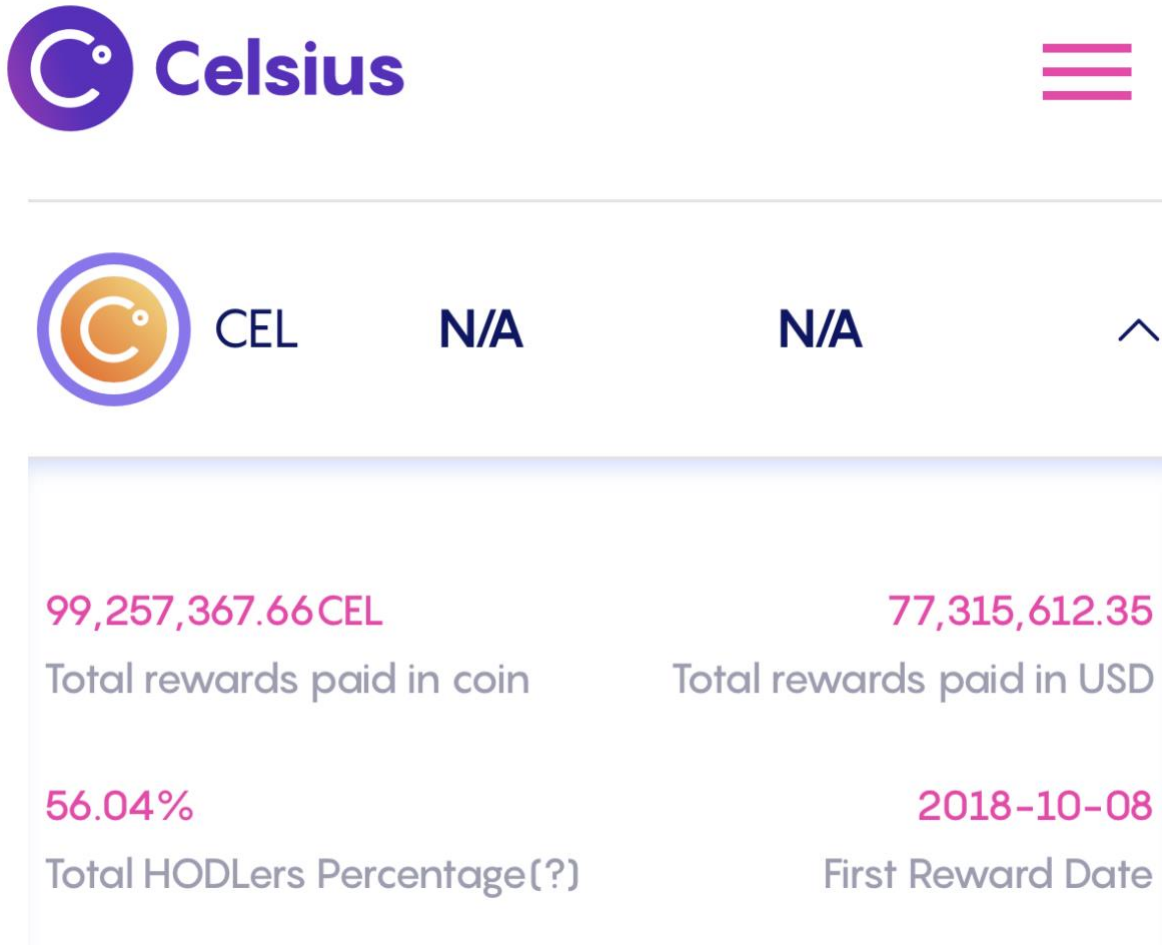


Exhibit 7

The silent majority of Celsius users owns CEL tokens and its interests are clearly not being represented by the UCC, who has been objecting to unsecured CEL creditors receiving petition date pricing. CEL holders did not file to form a class because only recently did the UCC reveal that it demands a \$0.20 treatment for CEL as part of the Stalking Horse bid court filings.

13. Exhibit 8 below illustrates that the total CEL short positions on FTX was reduced to under -6 Million on July 13, 2022, while total CEL available on FTX was only around 2.6 million **(over 2.5 Million CEL tokens in naked short positions).**

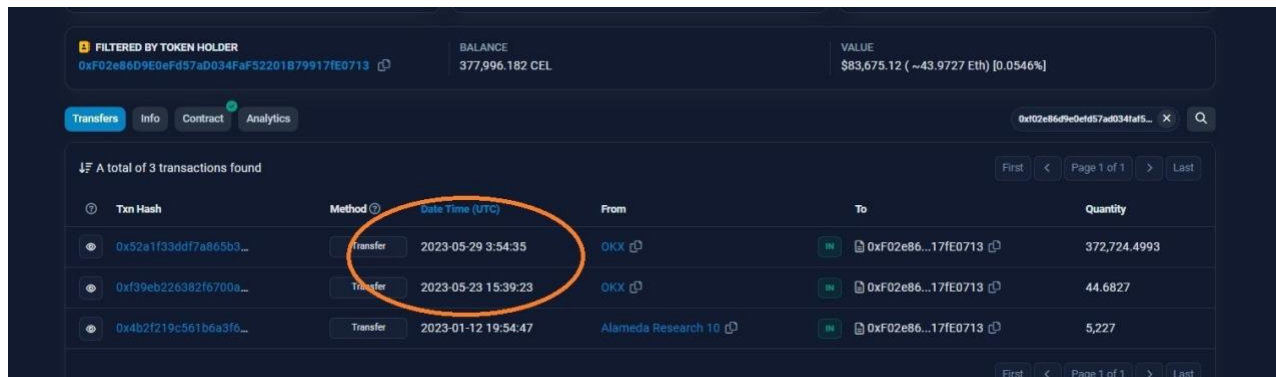
2022-07-12T19:00:00+00:00	CEL	6,466,548.54	0.00011416	100.00%	
2022-07-12T20:00:00+00:00	CEL	6,457,560.58	0.00011416	100.00%	
2022-07-12T21:00:00+00:00	CEL	6,446,470.02	0.00011416	100.00%	
2022-07-12T22:00:00+00:00	CEL	6,448,787.23	0.00011416	100.00%	
2022-07-12T23:00:00+00:00	CEL	6,441,966.55	0.00011416	100.00%	
2022-07-13T00:00:00+00:00	CEL	6,385,578.82	0.00011416	100.00%	1,021,684.00
2022-07-13T01:00:00+00:00	CEL	6,419,340.86	0.00011416	100.00%	
2022-07-13T02:00:00+00:00	CEL	6,368,375.82	0.00011416	100.00%	
2022-07-13T03:00:00+00:00	CEL	6,415,283.30	0.00011416	100.00%	
2022-07-13T04:00:00+00:00	CEL	6,415,433.54	0.00011416	100.00%	
2022-07-13T05:00:00+00:00	CEL	6,434,080.64	0.00011416	100.00%	
2022-07-13T06:00:00+00:00	CEL	6,373,014.75	0.00011416	100.00%	
2022-07-13T07:00:00+00:00	CEL	6,421,245.55	0.00011301	99.00%	
2022-07-13T08:00:00+00:00	CEL	6,398,599.41	0.00011301	99.00%	
2022-07-13T09:00:00+00:00	CEL	6,392,972.69	0.00011301	99.00%	
2022-07-13T10:00:00+00:00	CEL	6,381,129.16	0.00011301	99.00%	
2022-07-13T11:00:00+00:00	CEL	6,398,022.13	0.00000456	3.99%	
2022-07-13T12:00:00+00:00	CEL	6,395,826.27	0.00000456	3.99%	
2022-07-13T13:00:00+00:00	CEL	6,495,479.17	0.00000456	3.99%	
2022-07-13T14:00:00+00:00	CEL	6,402,727.09	0.00022831	200.00%	
2022-07-13T15:00:00+00:00	CEL	6,371,627.99	0.00296804	2600.00%	
2022-07-13T16:00:00+00:00	CEL	6,224,854.20	0.00296804	2600.00%	
2022-07-13T17:00:00+00:00	CEL	6,119,125.43	0.00296804	2600.00%	
2022-07-13T18:00:00+00:00	CEL	5,844,157.82	0.00296804	2600.00%	
2022-07-13T19:00:00+00:00	CEL	5,657,797.64	0.00262557	2300.00%	
2022-07-13T20:00:00+00:00	CEL	5,570,156.84	0.0022831	2000.00%	
2022-07-13T21:00:00+00:00	CEL	5,568,326.69	0.00114155	1000.00%	
2022-07-13T22:00:00+00:00	CEL	5,428,306.50	0.00091209	798.99%	
2022-07-13T23:00:00+00:00	CEL	5,381,747.26	0.00044178	387.00%	
2022-07-14T00:00:00+00:00	CEL	5,548,481.99	0.001	876.00%	2,620,832.00
2022-07-14T01:00:00+00:00	CEL	5,664,154.18	0.00022831	200.00%	
2022-07-14T02:00:00+00:00	CEL	6,856,936.87	0.00296804	2600.00%	
2022-07-14T03:00:00+00:00	CEL	7,127,638.95	0.00296804	2600.00%	
2022-07-14T04:00:00+00:00	CEL	6,956,913.73	0.00296804	2600.00%	
2022-07-14T05:00:00+00:00	CEL	7,058,865.00	0.00296804	2600.00%	
2022-07-14T06:00:00+00:00	CEL	6,838,594.70	0.00296804	2600.00%	
2022-07-14T07:00:00+00:00	CEL	6,868,867.10	0.00296804	2600.00%	
2022-07-14T08:00:00+00:00	CEL	6,738,639.83	0.00296804	2600.00%	
2022-07-14T09:00:00+00:00	CEL	6,596,759.72	0.00296804	2600.00%	
2022-07-14T10:00:00+00:00	CEL	6,585,018.68	0.00296804	2600.00%	
2022-07-14T11:00:00+00:00	CEL	6,537,433.54	0.00296689	2599.00%	
2022-07-14T12:00:00+00:00	CEL	6,512,774.26	0.00296689	2599.00%	
2022-07-14T13:00:00+00:00	CEL	6,478,210.89	0.00296689	2599.00%	
2022-07-14T14:00:00+00:00	CEL	6,366,737.82	0.00296689	2599.00%	
2022-07-14T15:00:00+00:00	CEL	6,311,646.87	0.00296689	2599.00%	
2022-07-14T16:00:00+00:00	CEL	5,969,788.34	0.00296689	2599.00%	
2022-07-14T17:00:00+00:00	CEL	5,435,305.42	0.00022831	200.00%	
2022-07-14T18:00:00+00:00	CEL	5,274,414.01	0.00114155	1000.00%	
2022-07-14T19:00:00+00:00	CEL	5,388,849.88	0.00114155	1000.00%	

Exhibit 8

Once again, Exhibit 8 shows the net short open positions remaining. This evidence collected from the FTX exchange shows a massive reduction from over -20,000,000 net short position on the day of the Pause, to less than -6,000,000. The purchase of 14 million CEL tokens clearly shows that the demand for CEL Token during the Pause period came

from short sellers covering their positions by buying CEL Token and **NOT** from Celsius or from market manipulation as claimed by the UCC. From an examination of public records, there is minimal activity or change of Balances of CEL Token by the Debtors, the Debtors did not contribute to the price increase between the Pause and filing period.

14. Alameda Research seemed to continue buying CEL Token in the open markets to cover their short positions as seen in this Etherscan.io report. Debtors should be selling its CEL Tokens in treasury to Alameda to cover the remaining 3.5 million short position and generating income to the Debtors. Exhibit 9 below serves as evidence of these purchases with the blockchain as an immutable and true ledger.



Txn Hash	Method	Date Time (UTC)	From	To	Quantity
0x52a1f33dd7a865b3...	Transfer	2023-05-29 3:54:35	OKX	0xF02e86...17fE0713	372,724.4993
0xf39eb226382f6700a...	Transfer	2023-05-23 15:39:23	OKX	0xF02e86...17fE0713	44.6827
0x4b2f219c561b6a3f6...	Transfer	2023-01-12 19:54:47	Alameda Research 10	0xF02e86...17fE0713	5,227

Exhibit 9

15. In response to point 3, as stated before, all UCC's claims against CEL tokens apply to all other assets held by the Debtors. All Earn accounts were securities, and so all assets including CEL Token should be subordinated.

16. In response to items 4 and 5 from the UCC, CEL Token was artificially depressed by short sellers that attacked Celsius and the CEL token. In finance, this tactic is called **"Short and Distort"** and it consists of spreading negative, misleading information targeting the demise of the CEL Token by causing an exponential increase in the open short positions on FTX (from less than 5 million to over 20 million in the 48 hours preceding the Pause). The increase in short positions were mainly created by Alameda

Research as part of the FTX/Alameda Research negotiations to purchase Celsius, to depress the price of CEL Token and drive withdrawals to FTX before consummation of a deal. Based on the Bloomberg interview, **FTX made an offer for Celsius and its assets**. Exhibit 10 below is an example of the classic “Short and Distort” campaign. Around June 16, 2022, Kevin O’Leary appeared on several TV and YouTube shows stating that “*Celsius is going to Zero*,” while failing to disclose he was a paid spokesperson and a large investor of FTX; at the same time the naked short position against CEL token on the FTX exchange was at its all-time high.



<https://www.youtube.com/watch?v=6c0famHyJSQ> Exhibit 10

Furthermore, FTX continued to engage public speakers like Anthony Scaramucci saying things on CNBC such as “*As if Bernie Madoff got married to Long Term Capital Management and they created Celsius... this stuff is terrible...but SBF has been willing to backstop this space and put up capital...*” Mr. Scaramucci neglected to mention that he was a paid spokesperson promoting FTX CEO Sam Bankman-Fried (SBF) talking points and was about to sell 30% of his company SkyBridge Capital to FTX just a few months later as shown in Exhibit 11 below.



Exhibit 11

17. On a July 19, 2022, interview with Bloomberg TV, Sam Bankman-Fried (Exhibit 12) confirmed that he was trying to buy Celsius, Voyager and BlockFi and tried to move all their assets to FTX. During this entire period, SBF knew, approved, and funded the efforts by FTX and Alameda Research (two companies he owned and controlled) to destroy value in Celsius and CEL Token, as he needed the \$11B in Celsius deposits to keep his fraudulent exchange (FTX) and reckless hedge fund (Alameda Research) afloat.



Exhibit 12

The UCC has admitted in its response [*item No. 5*] that they requested information from FTX “with respect to suspicious trading activity and large short positions that are alleged to have affected the price of CEL Token prior to the petition date” but they failed to share or provide any of the conclusions listed in this filing. The prior request from FTX by the UCC did not include any of Alameda Research or FTX wallets that held CEL Token and perpetual contracts. It is known that Alameda Research traded CEL Tokens and futures on CEL on FTX, OKX, MEXC, Uniswap, Gate.io, Huobi, HitBTC and market makers who traded in CEL like Wintermute. To make things more alarming, the **UCC Counsel admits to have received the results of subpoenas from FTX but has chosen not to reveal those results for the moment.**

Despite many CEL Token holders urging the UCC to investigate the FTX and Alameda Research short activity, the UCC only seemed to be interested in the activity of CEL Token holders on FTX (The ten wallets requested information on and does not include any of the FTX /Alameda wallets.) Debtors and the UCC have breached their fiduciary duty to

maximize recovery for all creditors and have refused to pursue any claims against FTX or Alameda Research related to their market manipulation of CEL token. The deadline to file FTX claims on behalf of all creditors expires at the end of June, 2023. Nevertheless, I have the complete record of all daily short balances of CEL Token on the FTX exchange between the pause and the petition date. I am happy to submit an affidavit with this court. In the year prior to the Pause, CEL traded on average above \$3.00 per token and the average short position on CEL was below -200,000 CEL tokens.

18. In response to item 6, both myself and other pro se creditors are large CEL Token holders, and I have had conversations with most of the top 20 largest CEL Token holders and none of them have been contacted by the UCC or the Debtors. The proposed settlement does not represent any unsecured creditors that hold CEL token.

19. In response to item 7, I agree that time is of the essence, and the UCC and Debtors should be spending their time maximizing their recovery from third parties instead of fighting its own unsecured creditors, considering the lack of collection from multiple borrowers and vendors of the Debtors.

20. In response to item 8, I agree with the UCC that CEL Token holders were defrauded. The short position on FTX still remains open at -3.5 million CEL Tokens and I urge the Debtors and the UCC to get the FTX exchange to purchase back those CEL Tokens from Celsius, the Debtor. I suggest the fair price for these Tokens should be over \$3.00 per CEL token.

21. In response to item No. 20, Mr. Colodny failed to disclose that about 90% of all the orders for CEL Token coming to the OTC desk **were buy orders** which were not from insiders or their friends. The instructions on how to purchase CEL Token using the OTC desk was openly available to everyone and is posted on the Debtor's website as illustrated in Exhibit 13. All **such evidence has been provided to the UCC** by the Debtors. These orders represent over 2,000 unique wallets. According to the company's own records and still being displayed on the Debtor's website, **56%** of the Debtors account holders have CEL Token. Mr. Colodny intends to subordinate over half of all unsecured creditors without any hard evidence or justification.

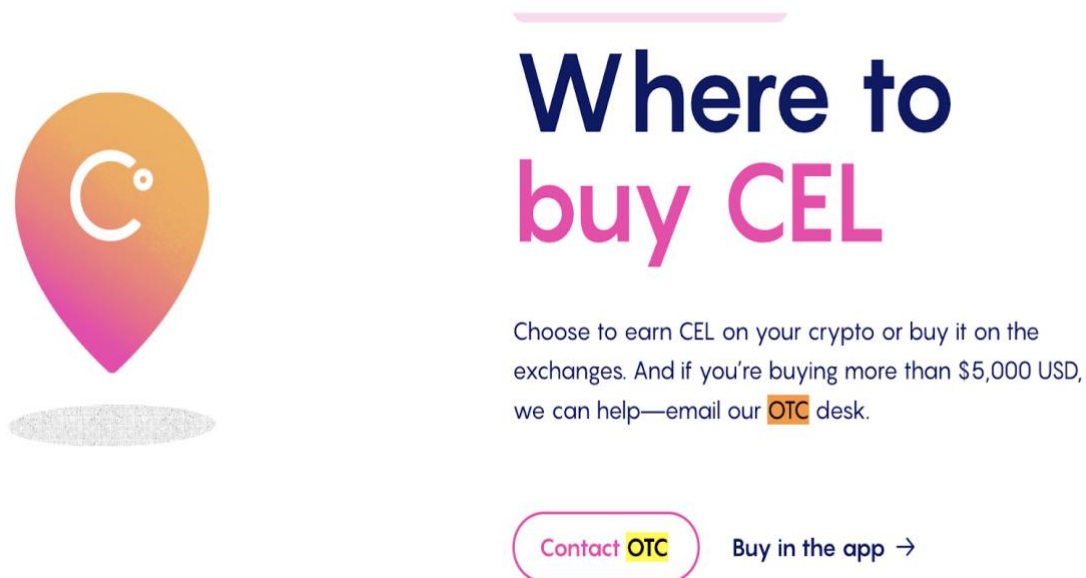


Exhibit 13

22. In response to item 18, according to the public Blockchain data, Celsius routinely bought more CEL than was needed to pay Earn account holders, because around 90% of the orders on the OTC desk were to **purchase CEL Token, not sell it**. As is clearly described in Exhibit 14, the flow of orders and funds clearly shows that the total OTC desk

volume exceeded the Earn account volume. I am both shocked and surprised that The UCC is ignoring these facts even though this information has been shared with them.

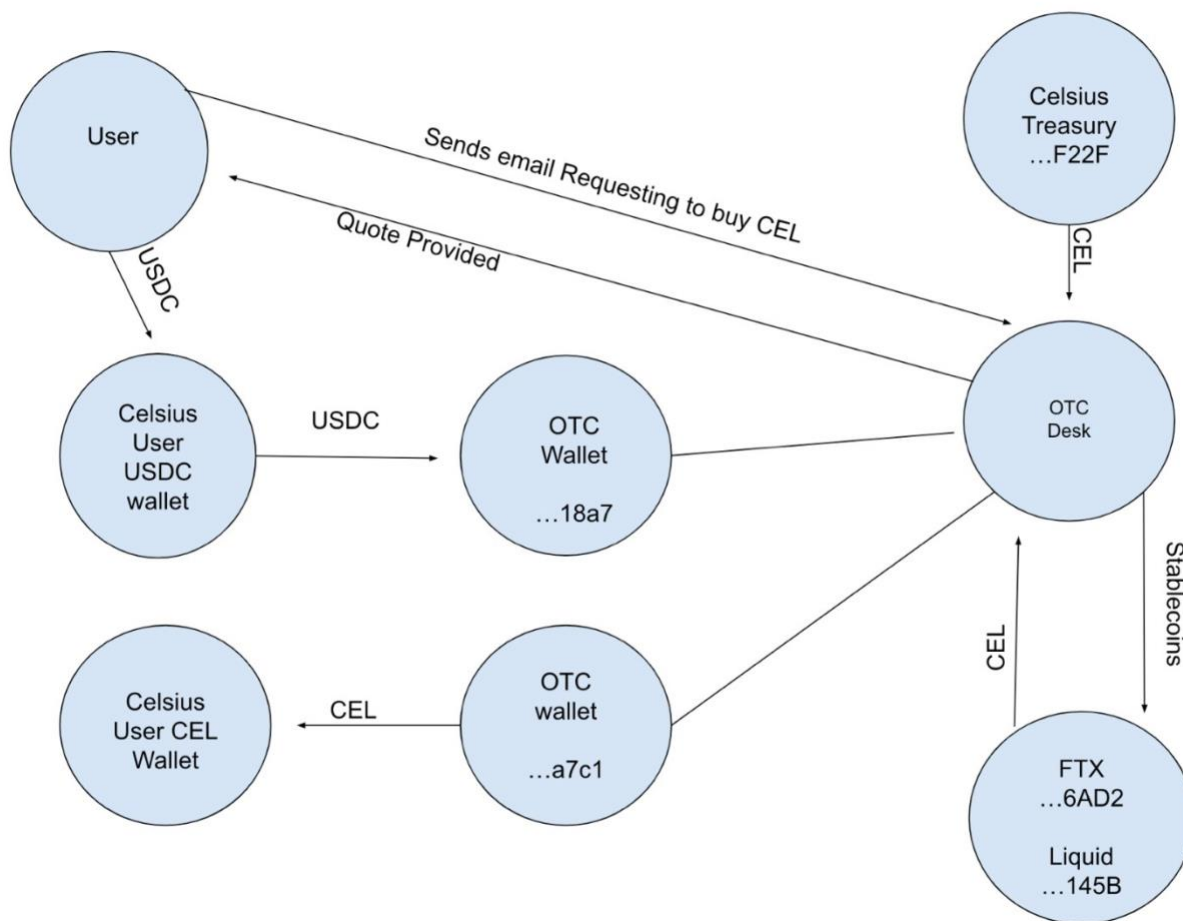


Exhibit 14

After doing the research, I can clearly see no price manipulation or excessive buying of CEL token by the Debtors. Exhibit 14 clearly shows the flow of OTC orders from retail users to **OTC@celsius.network**. I have also clearly demonstrated that a coordinated attack by FTX and Alameda Research and their associates has resulted in successful suppression of the price of CEL Token between the time of the Pause and the petition date. During such period, blockchain data shows neither Celsius nor the OTC desk, or any of its affiliates, have participated in these markets as they would have under normal circumstances. **I am asking for the \$0.81 petition date pricing.**

23. Exhibit 15 shows the analysis of all such wallets and the use of funds. Over **\$620m**

was received by Celsius from third party buyers of CEL Token and over \$613m of CEL Token was sent to such buyers. Only \$220m of the total CEL paid was in rewards and the majority of \$393m was related to OTC and Celsius Treasury transactions.

CEL token was a **PROFITABLE** operation of over **\$130m** between 2019 and 2022.

[\$621m + the \$125m tokens sold from Treasury and deduct the \$613m paid out to OTC and Earn users]. This is the miracle of blockchain technology; humans cannot alter it.

CEL Token OTC Transactions 2019-2022

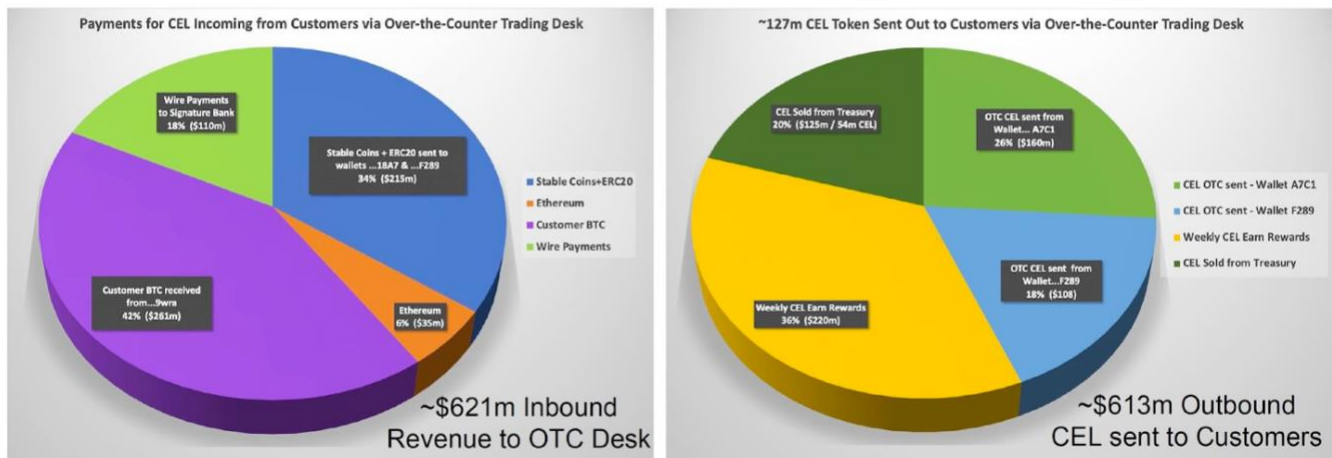


Exhibit 15

24. In response to item 24, Mr. Colodny states that the Securities and Exchange

Commission (SEC) has argued that VGX is a security; however, he neglects to point

out in that case (22-10943 Doc 1374 pg 7) that Judge Wiles has ruled in favor of VGX being treated at petition date pricing. More surprising, Voyager (Debtors) is represented by the same counsel, Kirkland & Ellis, as the Debtors in our case and was accused of the same “crimes” as Celsius of issuing unsecured loans and manipulating its token.

REFERENCE 28: See In re Voyager Digital Holdings, Inc., (Bankr. S.D.N.Y. 2023, Case No. 22-10943 (MEW)); Objection of the U.S. Securities and Exchange Commission to Final Approval of the Adequacy of the Debtors’ Disclosure Statement and Confirmation of the Chapter 11 Plan [Docket No. 1047] at ¶ 4; March 2, 2023 Voyager Tr. 24:18–25 (Mar. 2, 2023); March 3, 2023 Voyager Tr. 230:14–25 (Mar. 3, 2023).

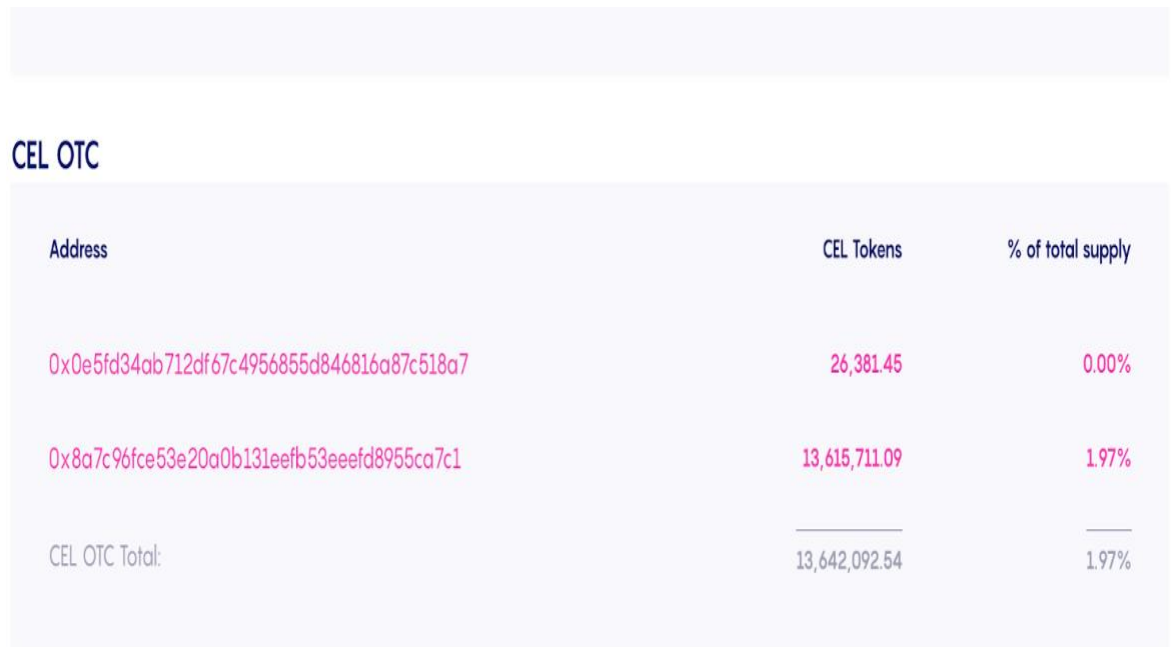
25. I have not included large spreadsheets and files containing the OTC and other transactions behind the numbers used on this document due to their size, but I am committed to share these with the court or any blockchain forensic team such as M3 or Elementus for the purposes of checks and balances.

26. I am requesting fair and equitable treatment of CEL Token at petition date price. I request that the UCC/Debtors focus their efforts on collecting assets from third parties like Voyager, 3 Arrows Capital (3AC), Alameda Research, and the FTX short position. I request discovery of any legal opinions provided to the Debtors since its formation regarding the status of CEL Token not being a security. I also ask that the UCC members commit to open a direct dialogue with the 5 largest CEL Token holders who are not insiders and have CEL as one of their largest assets on the platform.

Additional Important Resources

OTC@celsius.network desk had at least 5 employees and was purely dealing with CEL token over-the-counter transactions. Also, the associated wallets for CEL OTC are listed on the Celsius website. Thousands of pure organic email requests from users are documented there.

Exhibit 16 (image of the wallets listed on <https://celsius.network/earn>)



Address	CEL Tokens	% of total supply
0x0e5fd34ab712df67c4956855d846816a87c518a7	26,381.45	0.00%
0x8a7c96fce53e20a0b131eefb53eeefd8955ca7c1	13,615,711.09	1.97%
CEL OTC Total:	13,642,092.54	1.97%

Exhibit 16

Neither the Examiner nor the UCC has ever mentioned or referred to the OTC wallets until my Pro Se filing. From my blockchain examination of these wallets (and two more predecessor wallets provided to me by CEL Token holders that did OTC transactions since 2019), it is abundantly clear that **over 90% of ALL transactions are buy orders** for CEL token.

[OTC wallet ending in **a7c1** has 1,712 transactions]

<https://etherscan.io/token/0xaaaeb6fe48e54f431b0c390cfaf0b017d09d42d?a=0x8a7c96fce53e20a0b131eefb53eeefd8955ca7c1>

[OTC wallet ending in **18a7** has 847 transactions]

<https://etherscan.io/token/0xaaaeb6fe48e54f431b0c390cfaf0b017d09d42d?a=0x0e5fd34ab712df67c4956855d846816a87c518a7>

[OTC wallet ending in F289 has 4,224 transactions]

<https://etherscan.io/address/0x91e9a131446ab538d30746c79d43908faef3f289#tokentxns>

[OTC wallet ending 9WRA has 687 transactions]

<https://blockchair.com/bitcoin/address/1KyG5Cmwqj4vi6AN39vKmgwmhs6n1v9WRA>

Most of the transactions in these wallets are large buy orders for CEL tokens paid from over 2,000 unique wallets (organic demand from non-insider accredited and/or international users).

The UCC also did not share any such information with the Examiner, which attempted to establish the false narrative of CEL token excessive buying costing the company \$558 million (using customer funds). To the contrary, blockchain evidence supports that CEL token made the company over \$120 million and did not use any customer funds to do so. The above evidence and reports have been provided to the UCC by various CEL token holders multiple times over the past 6 months. It appears that the UCC embraces a false narrative by refusing to verify **facts** and publish the results of their examination.

Exhibit 17 below is page 97 of the Examiner report which states that **the examiner did not receive any records from Debtor with regards to CEL token although having**

requested them. The absence of the OTC wallets and the CEL OTC spreadsheet made the examiner categorize all CEL transactions as purchases by the company.

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that the company makes to buy back tokens from the market which creates scarcity or deflationary cycle which drives up the price of the remaining tokens.”²¹³ In other words, Mr. Mashinsky claimed, by using its profits to buy back CEL tokens, Celsius would reduce CEL’s market supply and increase its price.

The Examiner requested records reflecting Celsius’s CEL purchases in 2018 through 2022, but Celsius did not provide this information. The Examiner’s own blockchain analysis, however, determined that Celsius transferred at least 19.9 million CEL from secondary markets to its wallets in 2018²¹⁴ and at least 113.2 million CEL in 2019.²¹⁵ Mr. Mashinsky advertised this practice as proof of the soundness of what Celsius termed CEL’s “tokenomics”²¹⁶—or what one Celsius employee later explained as Celsius conducting its own “market making.”²¹⁷ Connor Nolan, Head of Institutional Lending and Head of Coin Deployment, told the Examiner that the reason Celsius bought its own CEL was to “push the price [of CEL] higher.”²¹⁸ Mr. Mashinsky acknowledged to the Examiner that Celsius was active in making the market but asserted that Celsius

²¹³ Celsius, Alex Mashinsky AMA 6/14/2018, YouTube (June 14, 2018), <https://www.youtube.com/watch?v=P89WfneySwE>.

²¹⁴ Appendix 6. Summary of CEL Token Purchases.

²¹⁵ Appendix 6. Summary of CEL Token Purchases.

²¹⁶ @Mashinsky, Twitter (August 23, 2018) (replying to another Twitter user: “[t]hat’s because most tokens don’t token economics that actually work, but ours does, which is why we’ve bought back almost 2m of our CEL tokens in the past few months[.]”).

²¹⁷ Harrell, Ashley, CEL Buybacks/Interest Paid/Treasury Redemptions, Email (April 22, 2020), CEL-UCC-00067828.

²¹⁸ Examiner Interview of Connor Nolan (Head of Institutional Lending – Celsius, January 12, 2023).

I am asking this Court to give me a fair and equitable treatment as a non-insiders CEL token claim holder in the earn group as well as to file a claim against FTX/Alameda. June 2023 is our deadline and our last chance to purse recovery for all damages.

Conclusion

For the foregoing reasons, as well as the reasons set forth in my motion to dollarize CEL Token Claims at Petition Date Price of \$0.81, I request that the court (a) overrule the Objections of the UCC to my motion and (b) grant my motion to apply bankruptcy law in the treatment of Non-Insiders CEL Token Claims.

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Miami, Florida.

/s/ Santos Caceres

Pro Se Creditor

Dated: June 24, 2023.
